

Fiscal Estimate - 2009 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 09-3852/1		Introduction Number AB-0703	
Description Correcting errors in the assessment of counties and taxation districts by the Department of Revenue.			
Fiscal Effect			
State:			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 50%;"><input type="checkbox"/> No State Fiscal Effect</div><div style="width: 50%;"><input type="checkbox"/> Indeterminate</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;"><input type="checkbox"/> Increase Existing Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;"><input type="checkbox"/> Decrease Existing Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;"><input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"></div><div style="width: 33%;"><input type="checkbox"/> Decrease Costs</div></div>			
Local:			
<div style="display: flex; flex-wrap: wrap;"><div style="width: 50%;"><input type="checkbox"/> No Local Government Costs</div><div style="width: 50%;"><input checked="" type="checkbox"/> Indeterminate</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;">1. <input type="checkbox"/> Increase Costs</div><div style="width: 33%;">3. <input type="checkbox"/> Increase Revenue</div><div style="width: 33%;">5. Types of Local Government Units Affected</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;">2. <input type="checkbox"/> Decrease Costs</div><div style="width: 33%;">4. <input type="checkbox"/> Decrease Revenue</div><div style="width: 33%;"><input checked="" type="checkbox"/> Counties <input checked="" type="checkbox"/> Others lake, sanitary, metro sewer</div></div> <div style="display: flex; flex-wrap: wrap; margin-top: 5px;"><div style="width: 33%;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;"><input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts</div></div>			

Fiscal Estimate Narratives
DOR 2/18/2010

LRB Number	09-3852/1	Introduction Number	AB-0703	Estimate Type	Original
Description Correcting errors in the assessment of counties and taxation districts by the Department of Revenue.					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Revenue (DOR) annually determines the equalized value of every municipality in the state and releases the data on August 15. Equalized value is used to allocate the property tax levy of multi-municipal entities (counties, school districts, technical college districts, lake districts, and sanitary districts) to their constituent municipalities. Errors in equalized value may occur due to incomplete, late, or inaccurate information from local assessors or from appeals by taxpayers regarding the value of their property. If DOR discovers an error in the equalized value of a locality, DOR corrects for the error by adjusting the following year's equalized values.

Under this bill, DOR would be required to correct for errors in equalized value in the year of the error rather than in the following year if all of the following conditions are met: (1) the error is discovered before October 1, (2) the amount of the error is more than \$10,000,000, and (3) the amount of the error is more than 7.5% of the corrected equalized value (excluding the incremental value in tax incremental districts).

The number of errors that would be covered under the bill will vary from year to year. The bill would increase DOR administrative costs by a small amount. These costs can be absorbed within current budgetary resources.

Local governments may experience small cost increases to include the corrected values during the course of their budget deliberations.

The correction of equalized values that would occur under the bill would allow for the correct allocation of the property tax levy of the various taxing entities in the year the levy is imposed rather than in the following year.

Long-Range Fiscal Implications